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		CENTRAL INTELLIGEN	NCE AGENCY	0574
		INFORMATION	REPORT	25X1
COUNTRY	Y China			
SUBJEC.	T <u>Liu</u> Shao-ehi			
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5X1 ¹ ·	Communists give the in Hunan, and atten	ree possible birth date first two. He was the ded the Hunan Provincia f years behind Mao Tse-	son of a rich p l Normal School	peasant family where he was
2.	2. Liu joined the Socialist Youth Group in Shanghai in 1920. This group was organized by Chen Tu-hsiu on instructions of the Comintern representative in China, Gregory Voitinsky, and was the predecessor of the Chinese Communist Party, founded in 1921. During the two years he was in Shanghai, Liu helped form the secretariat of the China Labor Organization, which was the predecessor of the All-China Federation of Labor.			
3.	3. In 1922 Liu returned to Hunan and taught primary school. In may of 1922, the First National Labor Congress assigned Liu and Li Li-san as Party workers to the Anyuan Coal Mines in Pinghsiang, Kiangsi. Liu stayed there over a year, agitating for improved labor conditions, and the Anyuan organization became the most militant union in the country.		an as Party Liu stayed , and the	
4.	4. For several years after the fall of 1923, Liu travelled to Shanghai, Canton, Wuhan and other cities as a sort of underground mobile troubleshooter on the labor front, and around that time he went to Moscow, from which he returned to China in 1925. He made at least one other visit to the USSR during the next two decades but the exact year is unknown.			while trouble- to Moscow, from other visit to

ARMY FBI NAVY AIR DISTRIBUTION - STATE This report is for the use within the USA of the Intelligence components of the Departments or Agencies indicated above. It is not to be transmitted overseas without the concurrence of the

5. In May 1925, the Second National Labor Congress in Canton elected Liu vice-president of the newly formed All-China Federation of Labor. On and off he was organizing labor agitations in various cities; he was chief organizer of the "May 30th Tragic Incident" of 1925 in Shanghai, when a demonstration touched off nation-wide general strikes, riots and a boycott of British goods. Many of the anti-Japanese labor and student

agitations in China were also organized by him.

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- 6. When the Communist government was set up in Wuhan in February 1927, Liu and the All-China Federation of Labor moved to that city too. In the same year, at the Fifth Party Congress of the CCP, Liu was elected to the Central Commuttee of the Party. From then to 1932 his track became indistinct again. He was listed in 1929 as the secretary of the Hupeh Provincial Party Committee. Most of the time he burrowed underground to do labor work. At one time he was the leader of railway workers in Harbin. In 1931 he was the underground leader of 100,000 Shanghai workers in their anti-Japanese strikes. The next year he was smuggled into Kiangsi to be in charge of organizing the arsenals and workers' movement. In 1933 Liu was elected chairman of the All-China Federation of Labor.
- 7. During the Long March in 1934, Liu was political commissar to the Fifth Red Army Corps, but he was still not important enough to be mentioned in the annals of that Communist epic. A little later he was the chief of the Mass Mobilization Section in the General Political Department of the Red Army.
- 8. From Northwest China, Liu went to Peking where he led the anti-Japanese student movement. From 1935 to 1942, he was successively the secretary of the Borth China Bureau, the Central Plains Bureau, and Central China Bureau of the Central Committee of the C.C.P. Liu has been a mumber of the Politburo since 1932; and a member of the Secretariat of the Party's Central Committee as well as the vice-chairman of the Chinese People's Revolutionary Military Council since 1943. During the period of 1942-43, he was also the political commissar to the New Fourth Army, which was tolerated by the Kuomintang in the war against Japan.
- 9. In 1943 Mao transferred Liu from the New Fourth Army to Yenan, to help him organize and purge Party cadres. At the Seventh Party Congress in 1945, Liu was reelected to the Central Committee of the Farty. The number of votes he got was next to those of Mao Tse-tung and Chu Teh. He drafted the 1945 revised Party Constitution of the C.C.P. On October 1, 1949, when the Central People's Government was inaugurated, he became a vicechairman of the government. As of March 1954, he holds the following major posts in the Party and government: Vice-Chairman, Central People's Government. Vice-Chairman, People's Revolutionary Military Council. Vice-Chairman, Politburo of the C.C.P. Secretary, Central Committee of the G.C.P. Honorary Chairman, All-China Federation of Labor. Vice-Chairman, National Committee, People's Political Consultative Council. Chairman, Sino-Soviet Friendship Association. Vice-Chairman, World Federation of Labor; Chairman, Central Election Committee. His important books are: "How to be a Good Communist" (1939), "On Inner-Party Struggle" (1941), "On the Party" (1945), and "Internationalism and Nationalism" (1948).
- 10. Gaunt and tall, Liu has bery thin and sharp features; piercing, steely eyes, heavy, dark eyebrows, pointed nose, lean cheeks and tight lips. He looks straight ahead while walking, and gives an impression of harshness when conversing or shaking hands with people. His favorite garb is blue or black Chungshan uniform and a worker's cap. Smoking Russian cigarettes incessantly, he speaks with a heavy Human accent without a sense of even dry humor, and his words are stingingly to the point. The combination of his looks, manner and utterances reminds one of a prowling leopard. He seldom smiles. When he does his smile has a tinge of derision. Even in front of Mao and Chu, Liu seldom expresses warmth and friendship.
- 11. Liu's first wife, also a Communist, was killed by the Kuomintang in 1934. His only son by her was put out for adoption and did not know Liu was his father until years afterwards when Liu went to Yenan. Liu's present wife is a native of Tientsin, who bore a son and a daughter. His daughter received most of her schooling in Moscow and could hardly speak Chinese. Her husband is Spanish, a devoted international Communist. It has been said that when Liu, his daughter and son-in-law meet, it is like throwing together a heap of steel slabs.

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- Even though Liu is 100 percent Chinese, in temperament and character he is Russian. He is a dedicated Communist first and a human being second. Like Mac. Liu usually works le hours a day, and his work is often heavier than Mac's or Chu's. Perhaps decades of underground work have cultivated his habit of staying away from the limelight. He is the watchdog of the present-day C.C.P. He is an expert in dislectics, and knows more about the history of International Communism than anyone else on the Red China political stage.
- 13. Liu was practically unknown outside the Party ten years ago. He was recognized as a clever labor and Party organizer, but not as a leader. It was in 1943, in the midst of the great Ideological Purge started in 1942, that Mao plucked him from his post as the political commissar of the New Fourth Army, and put in Yenan to help reorganize the Farty. From them on Liu was tiven increasing duty in the Party. He succeeded Kang Sheng as the president of the Central Party School in Yenan. Hot long before the Seventh Party Congress convened in April 1945, Mao promoted Liu, then only an alternate member of the Central Committee, to be the secretary of the Committee, a post second only to Mao's chairmanship in the C.C.P. At the Seventh Party Congress Liu made an extremely important report, "On the Party", and he was also the chief architect of the Revised Party Constitution of 1945. Thus almost overnight Liu zoomed to the No. 2 position in the C.C.P. and in order to consolidate further his position, Mao transferred high-ranking Communists like Kao Kang, Jao Shu-shih, Teng Hsiano-ping and Po 1-po to the Central Secretariat as Liu's assistants. The theory that Mac chose Liu his heir is strengthened by the fact that in the fall of 1945 when Mao went to Chungking to negotiate with Chieng Kai-shek, Liu took over the reins in Yenan. Liu again acted for Mao when the latter was absent for months from Peking in early 1951.
- 14. An avowed international Communist, Liu is extremely pro-Soviet, evidently a result of his Moscow training and his connections with the Third Internationale. He is the prototype of the professional revolutionist who lives only for the Party. He believes that the C.C.P. is only a link in International Communism and that the only salvation for China is to lean to one side toward the Big Brother. Some even believe that Liu is a Soviet plant who gets orders directly from the Kremlin although held nominally under Mac. In any case, Liu is definitely a bridge covered Peking and Moscow.
- 15. Liu's most significant writing in dislectics is: "Internationalism and Nationalism", written after Tito's split with Stalin. In it Liu branded bourgeois nationalism as an extension of bourgeois class interest which would inevitably result in aggression to other nations, and distinguished it from what he called proletarian nationalism, which is friendly toward other proletarian nations and whose logical outgrowth is internationalism. Widely read in Red China and a must for all Chinese Communist cadres, this book was both a condemnation of Tito and a weiled warning to whom it may concern against toying with Titoism.
- 16. Liu's readiness to toe the Kremlin line as expressed in this book was recently reaffirmed by his speech given on 20 January 1954 at the commemoration of the 30th anniversary of Lenin, when he eulogized Lenin and called the Soviet Union "the beacon of the progressive forces of all mankind". He said "Experience during the past 30 years of the Chinese revolution shows, too, that the theory of Leninism is the only correct revolutionary truth . . . China has already entered the stage . . . of gradual transition to Socialism. In this period, the Leninist theory on the transition to Socialism is completely applicable to China . . . We must, as Lenin has taught us, fight to maintain and heighten the purity of the proletarian party of Marxism, constantly overcome and eliminate from our ranks the influence of bourgeois ideology, expel the opportunist elements and individualistic careerists in the Party and strengthen its solidarity."

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- 17. Recent symptoms in Red China domestic politics reveal that Liu is not only ocming to the fore but consolidating his position with a nigh-level house cleaning. The strongest hint was given by Liu himself in a report at the Fourth Plenary Session of the Central Committee of the Seventh Congress of the C.C.P. held in Peking from 6 to 10 February 1954 from which Man was absent. In it Liu dwelled lengthily on Party unity and warned that "imperialists" and "counter-revolutionaries" would try to "undermine the unity of the Party and to look for agents within our Party". He said: "The greatest danger to the Party is the danger of the enemy creating divisions and causing sectarian activities inside the Party . . . Petty bourgeois encirclement is like a wast ocean . . . Some of our cadres, even high-ranking cadres within our Party . . . regard the region or department under their leadership as their individual inheritance or independent kingdom." This sounded as if Liu was preparing for a big change in the Party, and possibly had already set the stage by the time of this announcement. For one thing, reports of the meeting were not issued until a week after the closing. Then, unlike previously, the attendance list was not ennounced. pointing to the possibility that some of the nine absent members were already being processed for the purge but that the time to announce publicly was not yet ripe.
- 18. A review of past Chinese Communist practices further strengthens these beliefs. In the past the C.C.P. invariably had a big reshuffle preceding each party Congress because the most important functions of the Congress are to elect the Politburo and the Central Committee, and by making such a reshuffle and purging unwanted elements, Mao Tse-tung could create a de facto situation for the Congress to finalize. It may be recalled that the Sixth Party Congress was held in 1923. In October 1932 a session of the Central Committee decided to convene the Seventh Party Congress in the new fature and certain members were even appointed for that purpose, but the Seventh Congress was not held until 1945. Ostensibly the delay was due to communication difficulties, but the real reason was sectarian differences within the Party browing at that time, including the purge of Mants senior and rivel Chang Kuo-tao. Sight years have elapsed since the last congress. How in the face of increasingly sensitive international relations, convocation of the Eighth Party Congress this year suggests a re-stratification may be in order, but it is impossible to predict with containty which of the Red deitles will rise or topple.
- 19. It may be recalled that Liu Shao-chi was transferred from hit post as political commissar of the New Fourth Army to Yelan, and obtsequently became a member of the Secretariat of the Central Committee. In 1975 Lao Shu-shih succeeded Liu's post in the New Fourth Army. He remained as the political commissar after the New Fourth Army was reorganized into the Third Field Army, and was at the concurrent post as the chairman of the East China Administrative Council. In mid-1953, news from Red China had it that Jao was promoted to be Minister of Organization in the Central Committee of the C.C.P. The report was confirmed recently by official announcements. This means that Jao, an adherent of Liu and also an excellent organizer, has been given the No. 3 seat in the Party, next to Chairman Mao and Secretary Liu, and that his Party position is actually above those of Chou En-Lai and Chu Teh. He is one interesting man to watch.

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- 20. Among those who may be adversely affected by a purge are: Li Li-san, who has been dabbling in labor and intelligence; Lo Ju-ching, Minister of Public Security who is believed to have some tie with Feria's former outfit, and many of whose men in Public Security Bureaus (police) in various cities were thrown out during the past months; Chen Chao-yu, once more powerful than Mao Tse-tung, but later called "Party pedant" and demoted by Mao toward the bottom of the Central Committee member list; and Po I-po, who was ousted as Minister of Finance a few months ago and whose whereabouts is till unknown. It is possible that some top Communist brass may also be affected.
- 21. Liu Shao-chi said 12 years ago, in a series of lectures "On Inner-Party Struggle" (purge), "The aim of inner-Party struggle is to educate the Party and the comrades who have committed mistakes. Therefore inner-Party struggle is in itself a kind of indispensable education within the Party. . . Struggle is a kind of education and education is a kind of struggle . . . Our self-criticism and inner-Party struggle are not intended to weaken the Party's organization, solidarity, discipline and prestige or to obstruct the progress of i's work. On the contrary, they are intended to strengthen (them) . . . The upholding of Party discipline and Party unity does not in the main depend on the punishment of the comrades. If they have to be upheld in such a manner it signifies
- With Liu's hints at the infiltration of agents of "imperialists" and "counter-revolutionaries" recently, the present purge might not be limited to mere administrative measures alone. If punishment is meted out, Soviet style, it would signify a "crisis in the Party". The latest troop movements toward Northwest and South China indicates the possibility of some kind of unrest, or the anticipation of it. Whatever the case, Liu is evidently rallying loyal, or at least controllable high-ranking Communists around him. The blurred picture should come into focus at the forthcoming Eighth Party Congress.

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